

EXHIBIT 1

INTRODUCTION

Respondent Fidelity National Title Insurance Company (hereafter “FNTIC”) is a firm that provides title insurance and other real estate-related products and services. Respondent FNTIC is a California corporation headquartered in Irvine, California.

In October 1998, Respondent FNTIC reimbursed five employees of its Orange County office for making campaign contributions to Anaheim Mayoral candidate Robert Zemel. In May 1998, Respondent FNTIC reimbursed four employees of its Orange County office for making campaign contributions to Assemblywoman Marilyn Brewer. Reimbursing another person for making a campaign contribution violates Government Code sections 84301 and 84300, subdivision (c).

For the purposes of this Stipulation, Respondent’s violations of the Political Reform Act (“the Act”)¹ are stated as follows:

- COUNT 1: On or about May 15, 1998, Respondent FNTIC made a campaign contribution in other than its own name to Assemblywoman Marilyn Brewer in the amount of two hundred and fifty dollars, in violation of Sections 84301 and 84300, subdivision (c).
- COUNT 2: On or about May 15, 1998, Respondent FNTIC made a campaign contribution in other than its own name to Assemblywoman Marilyn Brewer in the amount of two hundred and fifty dollars, in violation of Sections 84301 and 84300, subdivision (c).
- COUNT 3: On or about May 15, 1998, Respondent FNTIC made a campaign contribution in other than its own name to Assemblywoman Marilyn Brewer in the amount of two hundred and fifty dollars, in violation of Sections 84301 and 84300, subdivision (c).
- COUNT 4: On or about May 15, 1998, Respondent FNTIC made a campaign contribution in other than its own name to Assemblywoman Marilyn Brewer in the amount of two hundred and fifty dollars, in violation of Sections 84301 and 84300, subdivision (c).
- COUNT 5: On or about October 22, 1998, Respondent FNTIC made a campaign contribution in other than its own name to Anaheim Mayoral candidate Robert Zemel in the amount of two hundred and fifty dollars, in violation of Sections 84301 and 84300, subdivision (c).

¹ The Political Reform Act is contained in Government Code sections 81000 through 91014. All references to "Section(s)" are to the aforementioned Government Code unless otherwise indicated. Commission regulations appear at Title 2, California Code of Regulations, Section 18109, *et seq.*

COUNT 6: On or about October 22, 1998, Respondent FNTIC made a campaign contribution in other than its own name to Anaheim Mayoral candidate Robert Zemel in the amount of two hundred and fifty dollars, in violation of Sections 84301 and 84300, subdivision (c).

COUNT 7: On or about October 22, 1998, Respondent FNTIC made a campaign contribution in other than its own name to Anaheim Mayoral candidate Robert Zemel in the amount of two hundred and fifty dollars, in violation of Sections 84301 and 84300, subdivision (c).

COUNT 8: On or about October 22, 1998, Respondent FNTIC made a campaign contribution in other than its own name to Anaheim Mayoral candidate Robert Zemel in the amount of two hundred and fifty dollars, in violation of Sections 84301 and 84300, subdivision (c).

COUNT 9: On or about October 22, 1998, Respondent FNTIC made a campaign contribution in other than its own name to Anaheim Mayoral candidate Robert Zemel in the amount of two hundred and fifty dollars, in violation of Sections 84301 and 84300, subdivision (c).

RESPONDENT
COUNTS 1-9: Fidelity National Title Insurance Company

SUMMARY OF THE LAW

The Fair Political Practices Commission is charged with the duty to administer, implement and enforce the provisions of the Political Reform Act of 1974. By enacting the Political Reform Act, California voters specifically found and declared that previous laws regulating political practices had suffered from inadequate enforcement, and that it was their purpose to ensure that the Act be vigorously enforced. (Section 81001, subdivision (h), and 81002, subdivision (f).)

The purpose of campaign reporting under the Act is that “receipts and expenditures in election campaigns should be fully and truthfully disclosed in order that the voters may be fully informed and improper practices may be inhibited.” (Section 81002, subdivision (a).) Timely and truthful disclosure of the source of campaign contributions is an essential part of the Act’s mandate.

In order to obtain disclosure of the true source of campaign contributions, Section 84301 prohibits contributions being made, directly or indirectly, by any person in a name other than that by which the contributor is identified for legal purposes.

Section 84300, subdivision (c), prohibits making campaign contributions of one hundred dollars (\$100.00) or more unless the contributions are made by way of a written instrument containing the names of both the actual donor and the real payee.

SUMMARY OF THE FACTS

In October 1998, Respondent FNTIC improperly reimbursed five employees of its Orange County office for making campaign contributions to Anaheim Mayoral candidate Robert Zemel. At all relevant times, candidate Robert Zemel was employed as Vice President for Public Affairs of FNTIC. In that capacity, Mr. Zemel frequently made recommendations to FNTIC's management about corporate campaign contributions to candidates for statewide and local public offices.

In May 1998, Respondent FNTIC reimbursed four employees of its Orange County office for making campaign contributions to Assemblywoman Marilyn Brewer. Each of these employees worked as an FNTIC salesperson.

In addition to the reimbursed contributions, the 1998 Robert Zemel and Marilyn Brewer campaigns received contributions from a large number of other FNTIC employees where there was no evidence of reimbursement.

Respondent FNTIC was the true source of the following campaign contributions:

Count	Date	Source	Intermediary	Recipient and Amount
1	May 15, 1998	FNTIC	Steve Ayers	Marilyn Brewer - \$250.00
2	May 15, 1998	FNTIC	Alex Harmon	Marilyn Brewer - \$250.00
3	May 15, 1998	FNTIC	Dale Rothrock	Marilyn Brewer - \$250.00
4	May 15, 1998	FNTIC	Mark Russell	Marilyn Brewer - \$250.00
5	October 22, 1998	FNTIC	Steve Ayers	Robert Zemel - \$250.00
6	October 22, 1998	FNTIC	Hope Brown	Robert Zemel - \$250.00
7	October 22, 1998	FNTIC	Sandy Dow	Robert Zemel - \$250.00
8	October 22, 1998	FNTIC	Dale Rothrock	Robert Zemel - \$250.00
9	October 22, 1998	FNTIC	Melissa Tran	Robert Zemel - \$250.00
Total				\$2,250.00

In 1998, Respondent FNTIC was interested in various statewide legislative issues, including items related to electronic title recordation, and the possibility of the banking industry becoming involved in functions that are traditionally performed by the title industry. Assemblywoman Brewer was the author of Assembly Bill 1906, which extended electronic recordation projects in Orange and San Bernardino Counties, and created a task force on the subject.

At all relevant times in 1998, the City of Anaheim had local campaign contribution limits. Pursuant to Anaheim ordinance 1.09.050.010:

“No person shall make, and no city candidate or treasurer of any controlled committee of any candidate shall solicit or accept, any campaign contribution(s)

which would cause the total amount contributed by such person to such candidate, including contributions to any controlled committee of such candidate, to exceed one thousand dollars with respect to any city election in which such candidate is a city candidate.”

The enforcement of Section 84301 is necessary to accomplish one of the primary purposes of the Act, which is the full and truthful disclosure of the names of campaign contributors. By making nine campaign contributions in names other than its own name, Respondent FNTIC violated Sections 84301 and 84300, subdivision (c).

CONCLUSION

Making campaign contributions in other than one’s own name is one of the more serious violations of the Act. It undermines one of the basic purposes of disclosing important information to the voting public regarding the true source of campaign support and contributions.

However, Respondent FNTIC has never previously been prosecuted for violating the Act, and has cooperated fully with the Commission’s investigation in this matter. Respondent provided numerous financial and business documents in response to Enforcement Division requests. In November 1999, Respondent FNTIC voluntarily disclosed information to Enforcement Division investigators regarding the reimbursement of some employees for campaign contributions made to Robert Zemel and Marilyn Brewer.

This matter consists of nine counts, which carries a maximum possible administrative penalty of Eighteen Thousand Dollars (\$18,000.00). The facts of the case justify imposition of the agreed upon administrative penalty of Sixteen Thousand Dollars (\$16,000.00).